(c) No, Sir.

(d) Does not arise in view of reply to (c) above.

Improving the functioning of ailing PSUs before disinvestment

2275. SHRIMATI VANGA GEETHA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are helping ailing Public Sector Undertakings which are in the red to improve their functioning before their being disinvested;

(b) the number of PSUs which fall in this category; and

(c) the PSUs proposed to be disinvested during the current year alongwith their names?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The decision to disinvest Government equity in any PSUs is taken after considering various aspects including performance of the Company, and in accordance with declared policy of the Government. Wherever it is considered that a financial restructuring prior to disinvestment is advisable, it is carried out as a prelude to disinvestment. Similarly, either on the recommendations of the Disinvestment Commission or on the basis of assessment within the Government, if it is considered that the PSU concerned should be allowed sufficient time to improve its performance, prior to disinvestment, action is taken accordingly.

As regards financial restructuring of the PSUs and efforts to improve their financial performance, Government keeps considering such proposals from time to time. For example, PSUs in which restructuring decisions have already been taken include Central Electronics Ltd., Sponge Iron India Ltd., Steel Authority of India Ltd., etc. Similarly in some other PSUs, especially sick companies, restructuring might be needed before disinvestment.

The process of disinvestment is currently in progress in the following PSUs:—

Air India, CMC Ltd., Hindustan Copper Ltd., (Phase I), Hindustan Organic Chemicals Ltd., Hindustan Zinc Ltd., Indian Airlines, IBP Ltd., Indian Petrochemicals Corpn. Ltd., and properties of India Tourism Development Corpn. Ltd., Madras Fertilizers Ltd., Minerals and Metals Trading Corporation Ltd., National Fertilizers Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd.,

State Trading Corpn. Ltd., Hindustan Cables Ltd., Instrumentation Ltd., Jessop and Co. Ltd., NEPA Ltd., Tungabhadra Steel Products Ltd., Videsh Sanchar Nigam Ltd., Bharat Brakes and Valves Ltd., HTL Ltd., NIDC, Bharat Heavy Plates & Vessels, Hindustan Salts and Engineering Projects (India) Ltd.,

Of these, PSUs that were making losses, as of 31.3.2000 are as follows:—

Air India, Hindustan Copper Ltd., Hindustan Organic Chemicals Ltd., India Tourism Development Corpn. Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd., Hindustan Cables Ltd., Instrumentation Ltd., Jessop and Co. Ltd., Bharat Brakes and Valves Ltd., NIDC, Bharat Heavy Plates & Vessels, Hindustan Salts and Engineering Projects (India) Ltd.

Methodology for valuation of Air India

2276. SHRI SHATRUGHAN SINHA; Will the Minister of DISINVESTMENT be pleased to state:

(a) the methodology used by Government for the valuation of Air India and for setting the reserve price;

(b) the criteria used to determine the value and the worth of the unutilized traffic rights; and

(c) whether a detailed listing of all the real estate of Air India has been taken into consideration?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The Government, in consultation with various organizations, has put in place a transparent procedure including standardization of nationally and internationally accepted valuation methodologies. A Note on Valuation Methodologies being followed in respect of all the ongoing disinvestment transactions in CPSUs is enclosed (*See* below). In the case of Air India (AI), apart from the valuation to be done by the Advisors in accordance with the approved methodologies, it has been decided that two other reputed valuers will also be asked to carry out an independent valuation of the Company according to mutually agreed methodologies and the C&AG/CVC have also been approached to agree to approve these methodologies, in order to have utmost objectivity and transparency in making fair assessment of the value of the Company.